

AMENDED IN ASSEMBLY APRIL 21, 2014

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2229**

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**Introduced by Assembly Member Bradford**

February 20, 2014

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An act to add *and repeal* Section 454.57-~~to~~ of the Public Utilities Code, relating to energy.

LEGISLATIVE COUNSEL'S DIGEST

AB 2229, as amended, Bradford. Energy efficiency: military bases and facilities.

Under existing law, the Public Utilities Commission has regulatory authority over public utilities, including electrical corporations and gas corporations, as defined. The Public Utilities Act requires the Public Utilities Commission to review and adopt a procurement plan for each electrical corporation in accordance with specified elements, incentive mechanisms, and objectives. The act requires that an electrical corporation's proposed procurement plan include certain elements, including a showing that the electrical corporation will first meet its unmet needs through all available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible. Existing law requires the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, to identify all potentially achievable cost-effective electricity efficiency savings, and to establish efficiency targets for electrical corporations to achieve pursuant to their procurement plan.

The act requires the Public Utilities Commission, in consultation with the State Energy Resources Conservation and Development Commission, to identify all potentially achievable cost-effective natural

gas efficiency savings and to establish efficiency targets for gas corporations to achieve, and requires that a gas corporation first meet its unmet resource needs through all available gas efficiency and demand reduction resources that are cost effective, reliable, and feasible.

~~This bill would require the commission, in consultation with the Energy Commission and the Department of Defense, to identify all potentially achievable cost-effective electricity efficiency savings at military bases and facilities in the state, and to establish efficiency targets for an electrical corporation to achieve at military bases and facilities.~~

~~This bill would require the commission, in consultation with the Energy Commission and the Department of Defense, to identify all potentially achievable cost-effective natural gas efficiency savings at military bases and facilities in the state and to establish efficiency targets for the gas corporation to achieve at military bases and facilities.~~

*This bill would require the Public Utilities Commission to encourage electrical corporations and gas corporations to expedite implementation of energy efficiency measures and enable the achievement of additional energy goals at United States Department of Defense military bases and facilities and United States Coast Guard facilities.*

*This bill would require the Public Utilities Commission to authorize the energy efficiency program for the above purpose through existing energy efficiency programs administered by electrical corporations and gas corporations. Because a violation of an order or a direction of the commission is a crime, this bill would impose a state-mandated local program.*

*This bill would repeal the above requirements on January 1, 2020.*

*The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

Vote: majority. Appropriation: no. Fiscal committee: yes.

State-mandated local program: ~~no~~-yes.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. The Legislature finds and declares all of the
- 2 following:

1 (a) ~~The Department of Defense is~~ *United States Department of*  
2 *Defense and the United States Coast Guard, as the nation’s largest*  
3 *energy users, are required to comply with laws enacted by*  
4 *Congress, executive orders, and goals established by military*  
5 *leaders, including requirements for 3 percent annual reductions in*  
6 *facility energy-intensity, intensity, which is measured by energy*  
7 *used per gross square foot.*

8 (b) ~~The Department of Defense is~~ *United States Department of*  
9 *Defense and the United States Coast Guard are reducing energy*  
10 *demand through conservation and efficiency. The Department of*  
11 ~~Defense is~~ *United States Department of Defense and the United*  
12 *States Coast Guard are improving the efficiency of—its their*  
13 *existing buildings through retrofitting, including the use of*  
14 *advanced lighting, heating, ventilation, and air-conditioning*  
15 *technologies.*

16 (e) ~~Department of Defense military bases and facilities located~~  
17 ~~in California pay into California energy public purpose programs~~  
18 ~~that fund energy efficiency and other programs.~~

19 (d) ~~There is currently no targeted partnership with Department~~  
20 ~~of Defense military bases and facilities located in California to~~  
21 ~~ensure that funding available for energy efficiency improvements~~  
22 ~~through programs authorized by the Public Utilities Commission~~  
23 ~~are directed towards Department of Defense military bases and~~  
24 ~~facilities located in California.~~

25 (c) *The United States Department of Defense and United States*  
26 *Coast Guard facilities have leveraged the energy efficiency*  
27 *programs of electrical corporations and gas corporations and*  
28 *have used turnkey contracts to facilitate energy efficiency upgrades*  
29 *while bundling energy and water efficiency, demand response,*  
30 *and distributed generation.*

31 (d) *Additional energy efficiency incentives to assist the United*  
32 *States Department of Defense and the United States Coast Guard*  
33 *to perform energy efficiency projects will help in meeting the state’s*  
34 *greenhouse gas reduction goals.*

35 SEC. 2. Section 454.57 is added to the Public Utilities Code,  
36 to read:

37 454.57. ~~Through—~~(a) *For the purposes of this section, the*  
38 *following terms have the following meanings:*

39 (1) *“Military bases and facilities” are those establishments*  
40 *under the jurisdiction of the United States Department of Defense*

1 *that are classified in Code 928110 of the North American Industry*  
 2 *Classification System.*

3 (2) *“United States Coast Guard facilities” are those facilities*  
 4 *under the jurisdiction of the United States Coast Guard that are*  
 5 *classified in Code 926120 of the North American Industry*  
 6 *Classification System.*

7 (b) *Military bases and facilities and United States Coast Guard*  
 8 *facilities shall be eligible to calculate their energy efficiency*  
 9 *savings by comparing the facilities’ existing energy usage, as a*  
 10 *whole, with the facilities’ projected energy usage that would be*  
 11 *achieved from the implementation of the energy efficiency*  
 12 *measures.*

13 (c) *Through an existing or new proceeding, the commission, in*  
 14 *consultation with the Energy Commission and Commission, the*  
 15 *United States Department of Defense, and the United States Coast*  
 16 *Guard, shall do the following: encourage electrical corporations*  
 17 *and gas corporations, using existing military contracting*  
 18 *procedures or new partnerships with the federal government, to*  
 19 *expedite the implementation of energy efficiency measures and*  
 20 *shall enable the achievement of additional energy goals, for*  
 21 *example, demand response, self-generation, and energy storage,*  
 22 *at military bases and facilities and United States Coast Guard*  
 23 *facilities.*

24 ~~(a) Identify all potentially achievable cost-effective electricity~~  
 25 ~~efficiency savings at military bases and facilities in the state and~~  
 26 ~~establish efficiency targets for electrical corporations to achieve~~  
 27 ~~at military bases and facilities in the state pursuant to Section 454.5.~~

28 ~~(b) Identify all potentially achievable cost-effective natural gas~~  
 29 ~~efficiency savings at military bases and facilities in the state and~~  
 30 ~~establish efficiency targets for gas corporations to achieve at~~  
 31 ~~military bases and facilities in the state pursuant to Section 454.56.~~

32 (d) *The commission shall authorize a program for energy*  
 33 *efficiency for the purposes of subdivision (b) through existing*  
 34 *energy efficiency programs administered by electrical corporations*  
 35 *and gas corporations.*

36 (e) *To the extent that the commission finds that funds in addition*  
 37 *to funds collected from ratepayers are needed to achieve energy*  
 38 *efficiency saving goals in military bases and facilities and United*  
 39 *States Coast Guard facilities, the commission, in consultation with*  
 40 *the Energy Commission, the United States Department of Defense,*

1 *and the United States Coast Guard, shall identify other potential*  
2 *sources of funding to supplement funds collected from ratepayers*  
3 *to achieve those savings goals.*

4 *(f) This section shall remain in effect only until January 1, 2020,*  
5 *and as of that date is repealed, unless a later enacted statute, that*  
6 *is enacted before January 1, 2020, deletes or extends that date.*

7 *SEC. 3. No reimbursement is required by this act pursuant to*  
8 *Section 6 of Article XIII B of the California Constitution because*  
9 *the only costs that may be incurred by a local agency or school*  
10 *district will be incurred because this act creates a new crime or*  
11 *infraction, eliminates a crime or infraction, or changes the penalty*  
12 *for a crime or infraction, within the meaning of Section 17556 of*  
13 *the Government Code, or changes the definition of a crime within*  
14 *the meaning of Section 6 of Article XIII B of the California*  
15 *Constitution.*